

Section 2



Background

Section 2. Background

This section is designed to provide background information on SCHIP program(s) funded through Title XXI.

2.1 How are Title XXI funds being used in your State?

Answer by completing the following.

2.1.1 List all programs in your State that are funded through Title XXI. (Check all that apply.)

N/A Providing expanded eligibility under the State's Medicaid plan (Medicaid SCHIP expansion)

Name of program: _____

Date enrollment began (i.e., when children first became eligible to receive services): _____

X Obtaining coverage that meets the requirements for a State Child Health Insurance Plan (State-designed SCHIP program)

Name of program: KidsCare

Date enrollment began (i.e., when children first became eligible to receive services): _____

The effective date of the State Plan is October 1, 1997. The first children became eligible for services on November 1, 1998.

N/A Other - Family Coverage

Name of program: _____

Date enrollment began (i.e., when children first became eligible to receive services): _____

N/A Other - Employer-sponsored Insurance Coverage

Name of program: _____

Date enrollment began (i.e., when children first became eligible to receive services): _____

N/A Other - Wraparound Benefit Package

Name of program: _____

Date enrollment began (i.e., when children first became eligible to receive services): _____

N/A Other (specify) _____

Name of program: _____

Date enrollment began (i.e., when children first became eligible to receive services): _____

In May 1998, the Arizona legislature approved Senate Bill 1008 (Laws of 1998, Chapter 11) authorizing the implementation of KidsCare. In June 1998, AHCCCS submitted the State Plan to extend KidsCare coverage statewide for children under the age of 19. The effective date of the State Plan was October 1, 1997, which enabled the state to prepare for the implementation of the program. Initially, and during this reporting period, income thresholds were set at 150 percent FPL. Beginning October 1, 1999, income levels were changed to 200 percent of the FPL.

AHCCCS determines eligibility for the KidsCare program. For Medicaid, AHCCCS contracts with DES, its sister agency, to determine eligibility. Consequently, a simplified and streamlined dual-eligibility process was implemented.

After being determined eligible, a child has a choice of available contractors and primary care providers within a Geographic Service Area. Additionally, Native Americans can elect to receive services through an Indian Health Center (IHS), a tribal 638 facility, or one of the health plans.

- 2.1.2 If State offers family coverage: Please provide a brief narrative about requirements for participation in this program and how this program is coordinated with other SCHIP programs.

N/A

- 2.1.3 If State has a buy-in program for employer-sponsored insurance: Please provide a brief narrative about requirements for participation in this program and how this program is coordinated with other SCHIP programs.

At this time, Arizona's KidsCare program does not offer employer-sponsored insurance.

- 2.2 What environmental factors in your State affect your SCHIP program?
(Section 2108(b)(1)(E))

Answered by completing the following.

- 2.2.1 How did pre-existing programs (including Medicaid) affect the design of your SCHIP program(s)?

AHCCCS and DES, the agency responsible for most Title XIX eligibility determinations, have developed a simplified mail-in joint application, which is used for KidsCare and Title XIX eligibility determinations. The application requires no face-to-face interviews. The Social Security Administration (SSA) also performs some Title XIX eligibility

determinations. An applicant must first be screened for Title XIX eligibility before being made eligible for KidsCare which reduces costs and confusion to providers.

2.2.2 Were any of the pre-existing programs "State-only" and if so what has happened to that program?

___ No pre-existing programs were "State-only"

X One or more pre-existing programs were "State-only" Describe current status of program(s): Is it still enrolling children? What is its target group? Was it folded into SCHIP?

Arizona has five state-only programs for low-income persons who do not qualify for Medicaid. Four of the programs are funded with state and county funds. The Premium Sharing Program is funded with tobacco tax monies and premiums collected from members. Formal referral processes have been established between governmental and community agencies to aid in the identification, referral and enrollment of uninsured children in the appropriate program.

State programs are still in existence, and they continue to enroll children. However, all applicants are first screened for KidsCare eligibility. The programs include:

1. **Premium Sharing Program (PSP)** – This program was implemented after July 1997 so it was not "folded into" SCHIP. Children who were in this program remained in this program.

PSP provides health care benefits to uninsured individuals with income up to the levels established by the legislature. Individuals who have been determined eligible and pay the required monthly premium can receive a comprehensive package of medical services. PSP is currently a pilot program available to residents in four of the 15 counties (Cochise, Maricopa, Pima and Pinal counties). To qualify, an applicant must have a gross household income which is at or below 200 percent FPL or if an applicant meets the chronically ill qualifications, gross household income may be at or below 400 percent FPL.

2. **Medically Indigent/Medically Needy (MI/MN)** – As permitted under 42 U.S.C. 1397jj, children who were enrolled in the MI/MN program, but who were eligible for KidsCare, were subsequently enrolled into the KidsCare program.

MI/MN is designed for a person who has a household income which is at or below \$3,200 per year. A Medically Needy person must have sufficient medical bills to "spend down" household income to \$3,200 per year. Arizona's state-only spend-down criteria is not the same as the federal medically needy criteria, and Arizona does not cover the federally medically needy option for the Medicaid population.

3. **Eligible Assistance Children (EAC)** – As permitted under 42 U.S.C. 1397jj, children who were enrolled in EAC, but who were eligible for KidsCare, were subsequently enrolled into the KidsCare program. EAC is designed for children under age 14 who are recipients of food stamps and who are Medicaid ineligible.
4. **Eligible Low Income Children (ELIC)** – As permitted under 42 U.S.C. 1397jj, children who were enrolled in ELIC, but who were eligible for KidsCare, were subsequently enrolled in the KidsCare program. ELIC is designed for children who are under age 14 and who have a household income that exceeds the MI/MN income standard, but does not exceed 100 percent of the FPL.
5. **State Emergency Services (SES)** – Children enrolled in SES are not eligible for KidsCare because of citizenship requirements. This program is still in existence and it continues to enroll children. This program is designed for undocumented persons and certain legal immigrants who are ineligible for Medicaid but who meet the income and resource criteria for the MI/MN or ELIC programs. Persons eligible for SES are not enrolled with AHCCCS health plans and receive only emergency services on a fee-for-service basis.

2.2.3 Describe changes and trends in the State since implementation of your Title XXI program that "affect the provision of accessible, affordable, quality health insurance and healthcare for children." (Section 2108(b)(1)(E))

Examples are listed below. Check all that apply and provide descriptive narrative if applicable. Please indicate source of information (e.g., news account, evaluation study) and, where available, provide quantitative measures about the effects on your SCHIP program.

- ☒ Changes to the Medicaid program
 - AHCCCS has simplified the review process for dual applications to KidsCare and Medicaid.
 - AHCCCS has implemented additional earned income disregards for working families under 1931.
 - KidsCare has redeterminations every 12 months instead of the six months, which is required for families receiving TANF or food stamps.
- ☐ Presumptive eligibility for children
- ☐ Coverage of Supplemental Security Income (SSI) children
- ☐ Provision of continuous coverage (specify number of months)
- ☐ Elimination of assets tests
- ☒ Elimination of face-to-face eligibility interviews
- ☒ Easing of documentation requirements
 - AHCCCS implemented an application process for children under the juvenile detention program who are scheduled to be released from the Arizona Department of Juvenile Corrections (ADJC). Recently, families have responded positively to the option of mailing-in applications and having no face-to-face interview.
 - AHCCCS has streamlined the verification requirements to accept client statements other than for income and citizenship, if born outside the U.S.

- Changes reported to KidsCare are sent to Medicaid for appropriate action.
- AHCCCS accepts the KidsCare application for children and pregnant women.
- Medicaid and KidsCare have simplified application and verification process between agencies.

 x Impact of welfare reform on Medicaid enrollment and changes to AFDC/TANF

- The Medicaid population did decrease significantly, but the numbers are increasing again due in part to the outreach efforts of KidsCare.

 Changes in the private insurance market that could affect affordability of or accessibility to private health insurance

 Health insurance premium rate increases

 Legal or regulatory changes related to insurance

 Changes in insurance carrier participation (e.g., new carriers entering market or existing carriers exiting market)

 Changes in employee cost-sharing for insurance

 Availability of subsidies for adult coverage

 Other (specify) _____

 Changes in the delivery system

 Changes in extent of managed care penetration (e.g., changes in HMO, IPA, PPO activity)

 Changes in hospital marketplace (e.g., closure, conversion, and merger)

 Other (specify) _____

 Development of new health care programs or services for targeted low-income children (specify) _____

 x Changes in the demographic or socioeconomic context

- According to Michael Sparer of Columbia University, who wrote "Health Policy for Low-Income People in Arizona" for the *Urban Institute*, the number of non-elderly Arizona residents without health insurance has risen from approximately 21 percent to just over 28 percent of the population over the past seven years. The author writes that while unemployment is quite low (less than 4 percent), most recent job growth has been in the service sector, which is generally low paying and without health insurance coverage. Thus, he points to this service sector job growth as a contributing factor to the rising number of uninsured.²

Moreover, Arizona has seen a steady population growth. The US Census Bureau reports that from 1990 to 1999, Arizona's population grew from 3,665,339 to 4,778,332 people, which is a gain of 1,112,993 people, or roughly 30 percent.³

 Changes in population characteristics, such as racial/ethnic mix or immigrant status (specify) _____

² Sparer, Michael. "Health Policy for Low-Income People in Arizona." *Urban Institute: Assessing New Federalism* 32 (1999): 1.

³ United States Census Bureau. "Population Estimates." 22 March 2000
<http://www.census.gov/population/www/estimates/popest.html>

- ___ Changes in economic circumstances, such as unemployment rate (specify)
- ___ Other (specify) _____
- ___ Other (specify) _____